



## Legislative Assembly Hansard,

Extract from NSW Legislative Assembly Hansard and Papers Thursday, 8 June 2006.

### SNOWY HYDRO CORPORATISATION AMENDMENT (PROTECT SNOWY HYDRO) BILL

**Bill introduced and read a first time.**

#### Second Reading

**Mr RUSSELL TURNER** (Orange) [10.19 a.m.]: I move:

That this bill be now read a second time.

The proposed sale of Snowy Hydro was a rushed fire sale of an iconic State asset to fill Labor's budget black hole without adequate safeguards. I have spoken to people in my electorate during the past few weeks and they agree that the Snowy Hydro is as iconic as the Opera House and the Sydney Harbour Bridge. Try to sell those and see what will happen. With one eye on an election war chest, New South Wales Labor pushed through the deal without community consultation or debate in Parliament. People all over the State, and indeed the nation, were shocked at the arrogance of the lemma Labor Government, especially when they started to realise the implications.

Labor refused to provide sufficient detail on issues such as how the proceeds would be spent and what safeguards would be put in place. Many unresolved issues could not be debated in Parliament, including lack of certainty in water rights for irrigators, particularly along the Murrumbidgee and Murray rivers. With Labor's track record on public-private partnerships such as the cross city tunnel, Parliament and the public could not have any confidence that future regulations would not be skewed in favour of the private company.

There were overriding environmental concerns. After New South Wales Labor corporatised Snowy Hydro, a scientific committee was supposed to have been set up under the Snowy Hydro Corporatisation Act 1997 to report on environmental flows in the Snowy River. Labor agreed to do this in 2006 only as a public relations stunt after public pressure from The Nationals, the Liberals and the community, amid outrage over the sale. There were also financial concerns. The Labor Government's rationale for the sale was that it did not want to use taxpayers' money to fund the expansion of Snowy Hydro. Nevertheless, Labor admitted that if it met its own targets of 28 per cent for environmental flows in the Snowy River, it would expose taxpayers to a potential payout of hundreds of millions of dollars compensation to a privatised Snowy Hydro.

There would be job cuts in local communities. Labor said there will be no job cuts but would not guarantee this in legislation. The honourable member for Monaro was quoted in the *Cooma-Monaro Express* on Thursday 12 January that he was "not concerned about a loss of jobs for the region". While the honourable member arrogantly dismissed the concerns of his constituents in Monaro, the Liberals and The Nationals continued to fight the sale. There was no indication of safeguards for the provision of the location of company headquarters until 17 May 2006 amid the furor of Labor's sale. It took an agreement with the Victorian and Federal governments that headquarters would remain in Cooma. This was five months after the Premier announced the sale.

New South Wales Labor wanted to maximise its profits rather than reflect the concerns of taxpayers about overseas ownership caps. The Premier and Minister Della Bosca announced no ownership safeguards in announcing the sale on 16 December 2005; instead they relied on the Federal and Victorian governments to remain the largest single shareholders in Snowy Hydro Limited. There were many unresolved land rights issues for towns such as Jindabyne, which is landlocked by land owned by Snowy Hydro.

A number of unresolved issues comprehensively demonstrate that the sale of Snowy Hydro was rushed and The Nationals were correct to oppose Labor's fire sale. Indeed, the Liberal-Nationals Coalition is the only political group with any credibility on this issue. New South Wales Labor wanted to flog off this asset at bargain basement prices to fund its election prospects. The Greens voted with Labor to corporatise Snowy Hydro under the Snowy Hydro Corporatisation Act 1997, which led to this rushed privatisation attempt. Federal Labor leader Kim Beazley did not speak out about the sale to fall into line with the New South Wales Labor Party.

It took leadership from Coalition members of Parliament such as The Nationals Kay Hull, Liberal Gary Nairn and, crucially, the Prime Minister, who put into Federal Government policy the strong opposition on the sale from the New South Wales Liberal-Nationals Opposition. So-called Country Labor members such as the honourable member for Monaro and the honourable member for Murray-Darling refused to recognise the concern of their communities in Labor caucus and Parliament. The Liberals and The Nationals in New South Wales were the first to highlight the issue. The Leader of the Opposition unearthed the sale in question time late

last year and The Nationals have been very vocal in their opposition to the sale.

The community had every right to be concerned that this iconic, taxpayer-owned asset was going to prop up Labor's electoral prospects. New South Wales Labor has squandered unprecedented wealth of this State and delivered a big budget deficit. Labor's priority was not about fixing services or delivering infrastructure, but rather following Graham Richardson's mantra of "whatever it takes" in order to win the 2007 election. The Minister for Finance was doing the dirty work of the Treasurer in flogging off this iconic State asset to deliver an election war chest to the Premier.

Treasurer Michael Costa admitted after the sale was scotched that none of the estimates in his first—and last—budget on Tuesday was relying on the Snowy sale, saying, "The budget papers are at the printer. I do not have to change one number as a consequence of this." Instead, we can only presume that the proceeds of the sale of this taxpayer-owned asset would be thrown at Labor's electoral prospects. If Labor could not buy the election by selling off the family silver, it planned to dig its way out of a budget black hole over the next 12 months by returning the State to surplus after the election by selling this asset. The New South Wales Labor Party is hell bent on privatising this iconic Australian asset to fill its budget black hole. New South Wales Labor has not put this sale off. Last Friday the Minister for Finance, John Della Bosca, revealed on radio 2GB that the sale of Snowy Hydro was certainly not off Labor's long-term agenda. Phillip Clark asked him, "Are you still going to do it?" The Minister said, "Well, not right now..."

For all these reasons, to reflect community concerns and to ensure that future governments cannot flog off this iconic State asset, I have today introduced the Snowy Hydro Corporatisation Amendment (Protect Snowy Hydro) Bill to protect Snowy Hydro forever. I propose that the Snowy Hydro Corporatisation Act 1997 be amended by inserting after section 5 the following section:

**5A Disposal of shares in Company requires approval of Parliament.**

Shares in the Snowy Hydro Company held by the State of New South Wales must not be sold or otherwise disposed of unless the disposal is approved by resolution of each House of Parliament.

Therefore, it has to be approved by the Legislative Assembly and the Legislative Council. I call on all Labor members, in particular Country Labor members, especially those in the House this morning, to reflect the concerns of their communities and to vote for these important safeguards that will ensure Snowy Hydro can never be sold off without adequate debate or community consultation. I commend this vital bill to the House.